

Message Text

SECRET

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FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

S E C R E T STATE 122811

EXDIS EYES ONLY TOSEC 44

E.O.11652: GDS

TAGS:OVIP (HENRY A. KISSINGER)

SUBJECT:ACTING SECRETARY'S REPORT NO. 1

WHITE HOUSE: PASS USDEL SALZBURG

FOR SECRETARY FROM SISCO

1. DURING THE COURSE OF THIS TRIP YOU WILL BE GETTING THE PRINCIPALS' DAILY ACTIVITIES REPORT AS WELL AS THAT OF THE ASSISTANT SECRETARIES. I WILL FOLLOW THE PRACTICE OF SENDING YOU FROM TIME TO TIME A PERSONAL MEMORANDUM WHICH WILL BE A COMBINATION OF INFORMATION AND REQUESTS FOR ACTION WHICH MAY OR MAY NOT BE COVERED ELSEWHERE SO THAT YOU CAN FOCUS ON SEVERAL ISSUES IN ONE PAPER.

2. BEGIN UNDERLINING. MEMORANDUM OF UNDERSTANDING BETWEEN US AND ISRAEL. END UNDERLINING. SHALEV CALLED ME THIS MORNING AND SAID ISRAEL WOULD LIKE TO FIRM UP THE MEMO OF UNDERSTANDING PROMPTLY. I HAVE ASKED EAGLEBURGER IN A SEPARATE CABLE TO PULL OUT THE MEMO I SENT TO YOU WITH MY RECOMMENDATION.

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3. BEGIN UNDERLINING. NUCLEAR REACTORS TO ISRAEL AND EGYPT.
END UNDERLINING. PURSUANT TO YOUR INSTRUCTIONS WE STARTED
THE PROCESS OF CONSULTATION WITH THE CONGRESS, MAKING CLEAR
THAT NO FINAL DECISION HAD BEEN MADE. THE REACTION WAS GOOD.

FULBRIGHT THOUGHT IT WAS A POSITIVE MOVE; JAVITS SAID
SOME MIGHT BE QUEASY BUT WE OUGHT TO EXPLAIN IN ANY
ANNOUNCEMENT WHAT THE PURPOSES OF THESE REACTORS ARE,
NAMELY, GENERATION OF ELECTRICITY AND POINT OUT THAT THERE
HAS BEEN A LONG-STANDING INTEREST IN THESE THINGS AS AN
EXPLANATION AS TO WHY WE WOULD BE MAKING THIS DECISION AT
THE PRESENT TIME. HUGH SCOTT SAID THERE WOULD BE SOME
FLACK BUT SINCE IT WOULD APPLY TO BOTH EGYPT AND ISRAEL
TOGETHER, IT WAS ALL RIGHT. AIKEN WENT ALONG WITH THE
IDEA. SPARKMAN HAD NO QUESTIONS. THE MOST NEGATIVE
SOUND CAME FROM CASE'S ASSISTANT (CASE WAS NOT AVAILABLE)
WHO TOLD US THAT HE BELIEVES THAT ANY SUCH AGREEMENTS
SHOULD BE PRESENTED TO THE SENATE BEFORE THEY ARE CONCLUDED
AND EVEN THEN, CASE WOULD RESERVE THE RIGHT TO CRITICIZE.
HE ADDED THAT THE HILL SHOULD BE CONSULTED FURTHER BEFORE
ENTERING INTO ANY AGREEMENTS. DR. RAY CONSULTED
CONGRESSMAN PRICE WHO HEADS UP THE JOINT COMMITTEE ON
ATOMIC ENERGY WHO SAID IT IS A GOOD IDEA; BUT HE ALSO
STRESSED THAT IT OUGHT TO BE DONE SIMULTANEOUSLY FOR BOTH
EGYPT AND ISRAEL, OTHERWISE "IT MIGHT BE EMBARRASSING".
WE HAVE MADE ARRANGEMENTS TO REACH MORGAN, FRELINGHUYSEN,
AND HAMILTON TOMORROW. ON THE WHOLE I SEE NO SERIOUS
CONGRESSIONAL PROBLEM BASED ON THE ABOVE REACTIONS.

4. BEGIN UNDERLINING. SAUDI OIL EMBARGO AGAINST THE DUTCH.
END UNDERLINING. IN RESPONSE TO DUTCH AMBASSADOR VAN
LYNDEN'S INQUIRY I INFORMED HIM WE COULD NOT BE ENCOURAGING
ABOUT THE SAUDIS LIFTING THE EMBARGO ON THE NETHERLANDS.
AS YOU MAY BE AWARE THE SUBJECT WAS DISCUSSED DURING A
PRIVATE MEETING YAMANI HAD WITH TREASURY SECRETARY SIMON AT
WHICH AKINS WAS IN ATTENDANCE. I GAVE THE DUTCH AMBASSADOR
A GENERAL INDICATION OF THE SAUDI ATTITUDE. VAN LYNDEN WAS
OBVIOUSLY DISAPPOINTED BUT EXPRESSED HIS APPRECIATION FOR
OUR EFFORTS.

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5. BEGIN UNDERLINING. RESCHEDULING OF INDIA'S DEBT. END
UNDERLINING. THERE IS AN AID TO INDIA CONSORTIUM MEETING
ON JUNE 13 AND 14 IN PARIS WHICH WILL CONSIDER A WORLD
BANK PROPOSAL TO RESCHEDULE A SUBSTANTIAL PART OF AN
OVERALL \$550 MILLION IN INDIAN DEBT PAYMENTS THROUGH
THIS FISCAL YEAR.THERE WERE THREE POSSIBILITIES: OUR
PROCEEDING TO THE TUNE OF ABOUT \$65 MILLION WHICH OMB
FELT STRONGLY WAS EXCESSIVE AND WOULD REQUIRE ADJUSTMENTS

IN OUR OWN BUDGET, OR DOING NOTHING WHICH THE INDIANS WOULD HAVE TAKEN AS PUNITIVE IN THE AFTERMATH OF THEIR NUCLEAR TESTS. I HAVE APPROVED OUR PARTICIPATING IN THE RESCHEDULING AT ROUGHLY LAST YEAR'S LEVEL \$29 MILLION, COUPLED WITH A PLEDGE TO REVIEW INDIAN QUESTIONS LATER IN THE YEAR. THE INDIANS WILL BE PLEASED THAT WE ARE PARTICIPATING, BUT WILL PROBABLY BE SOMEWHAT DISAPPOINTED OVER THE AMOUNT. UNLESS I HEAR OTHERWISE, AND BASED ON YOUR CONVERSATION WITH KAUL, WE WILL PROCEED ON THIS BASIS. ALL THE OTHER AGENCIES ARE ON BOARD.

6. BEGIN UNDERLINING. JACKSON AMENDMENT TO DEFENSE PROCUREMENT ACT. END UNDERLINING. I UNDERSTAND YOU WERE INFORMED JUST BEFORE YOU LEFT OF SENATOR JACKSON'S PROPOSAL AMENDMENT TO THE DOD APPROPRIATION/AUTHORIZATION ACT WHICH WOULD GIVE TO THE SECRETARY OF DEFENSE QTE DECISIVE JUDGMENT UNQTE OVER THE EXPORT OF GOODS AND TECHNOLOGY TO COMMUNIST COUNTRIES. SINCE THE VOTE ON THIS AND OTHER RELATED AMENDMENTS ARE LIKELY TO COME TOMORROW MORNING, I TRANSMITTED A LETTER OPPOSING THE AMENDMENTS USING BASICALLY THE ARGUMENT THAT PRESENT PROCEDURES ARE EFFECTIVE. CLEMENTS HAS AGREED TO CALL STENNIS TONIGHT TO WEIGH IN AGAINST THE AMENDMENT. I AM SENDING YOU A COPY OF THE LETTER BY SEPARATE TELEGRAM.

7. BEGIN UNDERLINING. STEVENSON PROPOSAL ON SOVIET TRADE. END UNDERLINING. I AM SENDING YOU IN A SEPARATE TELEGRAM PROPOSALS FOR THE EXIM AUTHORIZATION BILL AFFECTING US-SOVIET TRADE MADE BY STEVENSON ON WHICH YOUR GUIDANCE WILL BE NEEDED. AS WE SEE IT, THE IMPORTANT THING IS THAT ANY POSITIVE INDICATION WE GIVE TO STEVENSON NOT CUT ACROSS ANYTHING YOU MAY BE DOING WITH JACKSON, JAVITS AND RIBICOFF. IF YOU AGREE THAT WE SHOULD GIVE STEVENSON

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A POSITIVE INDICATION, HE THEN CAN SEE WHAT HE CAN DO OVER THE NEXT 48 HOURS. SISCO

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